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SIXTH WARD AND CROWLEY DRAINAGE DISTRICT  
FINANCIAL REPORT  
DECEMBER 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-28-99

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The Honorable Billie C. Fulkerson  
and the Board of Commissioners of  
the Sixth Ward and Crowley Drainage District  
Crowley, Louisiana

We have audited the general purpose financial statements of the Sixth Ward and Crowley Drainage District, a component unit of the Acadia Parish Police Jury, as of and for the year ended December 31, 1998 as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Sixth Ward and Crowley Drainage District as of December 31, 1998, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated May 28, 1999 on our consideration of the District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

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Sidney L. Broussard, CPA 1980  
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James H. Breaux, CPA 1987  
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Members of American Institute of  
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The Honorable Billie C. Fulkerson  
and the Board of Commissioners of  
the Sixth Ward and Crowley Drainage District

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and individual account group financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Sixth Ward and Crowley Drainage District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Sixth Ward and Crowley Drainage District.

*BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.*

Crowley, Louisiana  
May 28, 1999

SIXTH WARD AND CROWLEY DRAINAGE DISTRICT  
ACADIA PARISH POLICE JURY

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
December 31, 1998

|   | Governmental Fund Types |                         |
|---|-------------------------|-------------------------|
|   | General<br>Fund         | Debt<br>Service<br>Fund |
| <br>  |                         |                         |
| ASSETS AND OTHER DEBITS   |                         |                         |
| Cash and cash equivalents   | \$ 44,125               | \$ 2,616                |
| Investments   | 53,991                  | 130,820                 |
| Receivables   | 211,675                 | 112,449                 |
| Accrued interest receivable                                       | 1,071                   | 1,137                   |
| Land, equipment, and buildings                                    | -                       | -                       |
| Amount available in debt service fund                             | -                       | -                       |
| Amount to be provided for retirement of<br>general long-term debt | -                       | -                       |
| Total assets and other debits                                     | <u>\$ 310,862</u>       | <u>\$ 247,022</u>       |
| <br>  |                         |                         |
| LIABILITIES AND FUND EQUITY                                       |                         |                         |
| LIABILITIES   |                         |                         |
| Accounts payable  | \$ 9,027                | \$ -                    |
| Other payables  | 6,768                   | 3,500                   |
| Bonds payable   | -                       | -                       |
| Total liabilities   | <u>\$ 15,795</u>        | <u>\$ 3,500</u>         |
| <br>  |                         |                         |
| FUND EQUITY   |                         |                         |
| Investment in general fixed assets                                | \$ -                    | \$ -                    |
| Fund balances:  |                         |                         |
| Reserved for debt service   | \$ -                    | \$ 243,522              |
| Unreserved - undesignated   | 295,067                 | -                       |
| Total fund balances   | <u>\$ 295,067</u>       | <u>\$ 243,522</u>       |
| Total liabilities and fund equity                                 | <u>\$ 310,862</u>       | <u>\$ 247,022</u>       |

See Notes to Financial Statements.

| Governmental<br>Fund Types | Account Groups    |                   | Totals             |                    |
|----------------------------|-------------------|-------------------|--------------------|--------------------|
|                            | General           | General           | (Memorandum Only)  |                    |
|                            | Fixed<br>Assets   | Long-Term<br>Debt | 1998               | 1997               |
| \$ 915                     | \$ -              | \$ -              | \$ 47,656          | \$ 36,912          |
| 8,308                      | -                 | -                 | 193,119            | 151,311            |
| 118,458                    | -                 | -                 | 442,582            | 386,290            |
| 165                        | -                 | -                 | 2,373              | 2,349              |
| -                          | 332,084           | -                 | 332,084            | 331,336            |
| -                          | -                 | 243,522           | 243,522            | 196,667            |
| -                          | -                 | -                 | -                  | 53,333             |
| <u>\$ 127,846</u>          | <u>\$ 332,084</u> | <u>\$ 243,522</u> | <u>\$1,261,336</u> | <u>\$1,158,198</u> |
| \$ -                       | \$ -              | \$ -              | \$ 9,027           | \$ 3,301           |
| -                          | -                 | -                 | 10,268             | 9,385              |
| -                          | -                 | 195,000           | 195,000            | 250,000            |
| <u>\$ -</u>                | <u>\$ -</u>       | <u>\$ 195,000</u> | <u>\$ 214,295</u>  | <u>\$ 262,686</u>  |
| \$ -                       | \$ 332,084        | \$ -              | \$ 332,084         | \$ 331,336         |
| \$ -                       | \$ -              | \$ -              | \$ 243,522         | \$ 196,667         |
| 127,846                    | -                 | 48,522            | 471,435            | 367,509            |
| <u>\$ 127,846</u>          | <u>\$ -</u>       | <u>\$ 48,522</u>  | <u>\$ 714,957</u>  | <u>\$ 564,176</u>  |
| <u>\$ 127,846</u>          | <u>\$ 332,084</u> | <u>\$ 243,522</u> | <u>\$1,261,336</u> | <u>\$1,158,198</u> |

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SIXTH WARD AND CROWLEY DRAINAGE DISTRICT  
ACADIA PARISH POLICE JURY

COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
Year Ended December 31, 1998

|   | <u>Governmental Fund Types</u> |                                  |                                      | Totals                   |                  |
|---|--------------------------------|----------------------------------|--------------------------------------|--------------------------|------------------|
|   | <u>General<br/>Fund</u>        | <u>Debt<br/>Service<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>(Memorandum Only)</u> |                  |
|   |                                |                                  |                                      | <u>1998</u>              | <u>1998</u>      |
| Revenues:   |                                |                                  |                                      |                          |                  |
| Taxes:  |                                |                                  |                                      |                          |                  |
| Ad valorem  | \$172,799                      | \$112,944                        | \$ -                                 | \$285,743                | \$266,356        |
| Intergovernmental:  |                                |                                  |                                      |                          |                  |
| State revenue sharing   | 39,426                         | -                                | -                                    | 39,426                   | 41,336           |
| Other   | <u>4,882</u>                   | <u>6,161</u>                     | <u>427</u>                           | <u>11,470</u>            | <u>9,509</u>     |
| Total revenues  | <u>\$217,107</u>               | <u>\$119,105</u>                 | <u>\$ 427</u>                        | <u>\$336,639</u>         | <u>\$317,201</u> |
| Expenditures:   |                                |                                  |                                      |                          |                  |
| Current:  |                                |                                  |                                      |                          |                  |
| Public works  | \$161,382                      | \$ 3,500                         | \$ -                                 | \$164,882                | \$172,405        |
| Capital outlay  | 748                            | -                                | -                                    | 748                      | 43,100           |
| Debt service:   |                                |                                  |                                      |                          |                  |
| Principal retirements   | -                              | 55,000                           | -                                    | 55,000                   | 45,000           |
| Interest and fiscal charges   | <u>-</u>                       | <u>13,750</u>                    | <u>-</u>                             | <u>13,750</u>            | <u>16,728</u>    |
| Total expenditures  | <u>\$162,130</u>               | <u>\$ 72,250</u>                 | <u>\$ -</u>                          | <u>\$234,380</u>         | <u>\$277,233</u> |
| Excess (deficiency) of revenues over expenditures                             | \$ 54,977                      | \$ 46,855                        | \$ 427                               | \$102,259                | \$ 39,968        |
| Other financing sources:  |                                |                                  |                                      |                          |                  |
| Proceeds from sale of equipment   | <u>-</u>                       | <u>-</u>                         | <u>-</u>                             | <u>-</u>                 | <u>200</u>       |
| Excess (deficiency) of revenues and other financing sources over expenditures | \$ 54,977                      | \$ 46,855                        | \$ 427                               | \$102,259                | \$ 40,168        |
| Fund balances, beginning  | <u>240,090</u>                 | <u>196,667</u>                   | <u>127,419</u>                       | <u>564,176</u>           | <u>524,008</u>   |
| Fund balances, ending   | <u>\$295,067</u>               | <u>\$243,522</u>                 | <u>\$127,846</u>                     | <u>\$666,435</u>         | <u>\$564,176</u> |

See Notes to Financial Statements.

SIXTH WARD AND CROWLEY DRAINAGE DISTRICT  
ACADIA PARISH POLICE JURY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -  
ALL GOVERNMENTAL FUND TYPES  
Year Ended December 31, 1998

|   | General Fund     |                  |   |
|---|------------------|------------------|---|
|   | Budget           | Actual           | Variance-<br>Favorable<br>(Unfavorable) |
| Revenues:   |                  |                  |   |
| Taxes:  |                  |                  |   |
| Ad valorem  | \$158,000        | \$172,799        | \$ 14,799                               |
| Intergovernmental:  |                  |                  |   |
| State revenue sharing   | 45,000           | 39,426           | (5,574)                                 |
| Other   | <u>2,000</u>     | <u>4,882</u>     | <u>2,882</u>                            |
| Total revenues  | <u>\$205,000</u> | <u>\$217,107</u> | <u>\$ 12,107</u>                        |
| Expenditures:   |                  |                  |   |
| Current:  |                  |                  |   |
| Public works:   |                  |                  |   |
| Salaries and taxes  | \$ 87,500        | \$ 76,586        | \$ 10,914                               |
| Equipment   | 27,000           | 19,573           | 7,427                                   |
| Fuel  | 7,000            | 4,338            | 2,662                                   |
| Utilities   | 1,400            | 1,248            | 152                                     |
| Office supplies   | 1,000            | 727              | 273                                     |
| Office rent   | 3,000            | 3,000            | -                                       |
| Insurance   | 26,000           | 18,288           | 7,712                                   |
| Chemicals   | 25,000           | 23,658           | 1,342                                   |
| Per diem  | 4,200            | 3,768            | 432                                     |
| Pension   | 5,500            | 5,356            | 144                                     |
| Audit   | 3,600            | 3,600            | -                                       |
| Other   | <u>3,000</u>     | <u>1,240</u>     | <u>1,760</u>                            |
| Total public works  | <u>\$194,200</u> | <u>\$161,382</u> | <u>\$ 32,818</u>                        |
| Capital outlays   | <u>\$ 11,000</u> | <u>\$ 748</u>    | <u>\$ 10,252</u>                        |
| Debt service:   |                  |                  |   |
| Principal retirements   | \$ -             | \$ -             | \$ -                                    |
| Interest and fiscal charges   | <u>-</u>         | <u>-</u>         | <u>-</u>                                |
| Total debt service  | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>                             |
| Total expenditures  | <u>\$205,200</u> | <u>\$162,130</u> | <u>\$ 43,070</u>                        |
| Excess (deficiency) of revenues over<br>expenditures (totals forward) | <u>\$ (200)</u>  | <u>\$ 54,977</u> | <u>\$ 55,177</u>                        |

| <u>Debt Service Fund</u> |                  |  | <u>Capital Projects Fund</u> |               |  |
|--------------------------|------------------|--|------------------------------|---------------|--|
| <u>Budget</u>            | <u>Actual</u>    | <u>Variance-<br/>Favorable<br/>(Unfavorable)</u> | <u>Budget</u>                | <u>Actual</u> | <u>Variance-<br/>Favorable<br/>(Unfavorable)</u> |
| \$105,000                | \$112,944        | \$ 7,944   | \$ -                         | \$ -          | \$ -   |
| -                        | -                | -  | -                            | -             | -  |
| <u>3,000</u>             | <u>6,161</u>     | <u>3,161</u>                                     | <u>500</u>                   | <u>427</u>    | <u>(73)</u>                                      |
| \$108,000                | \$119,105        | \$ 11,105  | \$ 500                       | \$ 427        | \$ (73)  |
| \$ -                     | \$ -             | \$ -   | \$ -                         | \$ -          | \$ -   |
| -                        | -                | -  | -                            | -             | -  |
| -                        | -                | -  | -                            | -             | -  |
| -                        | -                | -  | -                            | -             | -  |
| -                        | -                | -  | -                            | -             | -  |
| -                        | -                | -  | -                            | -             | -  |
| -                        | -                | -  | -                            | -             | -  |
| -                        | -                | -  | -                            | -             | -  |
| -                        | -                | -  | -                            | -             | -  |
| 4,400                    | 3,500            | 900  | -                            | -             | -  |
| -                        | -                | -  | -                            | -             | -  |
| <u>-</u>                 | <u>-</u>         | <u>-</u>   | <u>500</u>                   | <u>-</u>      | <u>500</u>                                       |
| <u>\$ 4,400</u>          | <u>\$ 3,500</u>  | <u>\$ 900</u>                                    | <u>\$ 500</u>                | <u>\$ -</u>   | <u>\$ 500</u>                                    |
| \$ -                     | \$ -             | \$ -   | \$ 7,000                     | \$ -          | \$ 7,000   |
| \$ 55,000                | \$ 55,000        | \$ -   | \$ -                         | \$ -          | \$ -   |
| <u>13,750</u>            | <u>13,750</u>    | <u>-</u>   | <u>-</u>                     | <u>-</u>      | <u>-</u>   |
| <u>\$ 68,750</u>         | <u>\$ 68,750</u> | <u>\$ -</u>                                      | <u>\$ -</u>                  | <u>\$ -</u>   | <u>\$ -</u>                                      |
| <u>\$ 73,150</u>         | <u>\$ 72,250</u> | <u>\$ 900</u>                                    | <u>\$ 7,500</u>              | <u>\$ -</u>   | <u>\$ 7,500</u>                                  |
| \$ 34,850                | \$ 46,855        | \$ 12,005  | \$ (7,000)                   | \$ 427        | \$ 7,427   |

SIXTH WARD AND CROWLEY DRAINAGE DISTRICT  
ACADIA PARISH POLICE JURY

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -  
ALL GOVERNMENTAL FUND TYPES (CONTINUED)  
Year Ended December 31, 1998

|  | <u>General Fund</u> |                  |  |
|--|---------------------|------------------|--|
|  | <u>Budget</u>       | <u>Actual</u>    | <u>Variance-<br/>Favorable<br/>(Unfavorable)</u> |
| Excess (deficiency) of revenues<br>over expenditures (totals forwarded)          | \$ (200)            | \$ 54,977        | \$ 55,177  |
| Other financing sources:<br>Proceeds from sale of asset                          | <u>-</u>            | <u>-</u>         | <u>-</u>   |
| Excess (deficiency) of revenues and other<br>financing sources over expenditures | \$ (200)            | \$ 54,977        | \$ 55,177  |
| Fund balances, beginning   | <u>240,090</u>      | <u>240,090</u>   | <u>-</u>   |
| Fund balances, ending  | <u>\$239,890</u>    | <u>\$295,067</u> | <u>\$ 55,177</u>                                 |

See Notes to Financial Statements.

| <u>Debt Service Fund</u> |                    |  | <u>Capital Projects Fund</u> |                    |  |
|--------------------------|--------------------|--|------------------------------|--------------------|--|
| <u>Budget</u>            | <u>Actual</u>      | <u>Variance-<br/>Favorable<br/>(Unfavorable)</u> | <u>Budget</u>                | <u>Actual</u>      | <u>Variance-<br/>Favorable<br/>(Unfavorable)</u> |
| \$ 34,850                | \$ 46,855          | \$ 12,005  | \$ (7,000)                   | \$ 427             | \$ 7,427   |
| <u>          -</u>       | <u>          -</u> | <u>          -</u>                               | <u>          -</u>           | <u>          -</u> | <u>          -</u>                               |
| \$ 34,850                | \$ 46,855          | \$ 12,005  | \$ (7,000)                   | \$ 427             | \$ 7,427   |
| <u>196,667</u>           | <u>196,667</u>     | <u>          -</u>                               | <u>127,419</u>               | <u>127,419</u>     | <u>          -</u>                               |
| <u>\$231,517</u>         | <u>\$243,522</u>   | <u>\$ 12,005</u>                                 | <u>\$120,419</u>             | <u>\$127,846</u>   | <u>\$ 7,427</u>                                  |

SIXTH WARD AND CROWLEY DRAINAGE DISTRICT  
ACADIA PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

As provided by Louisiana Revised Statute 38:1607, the drainage district is governed by five commissioners. These five commissioners are referred to as the Board of Commissioners and are appointed by the parish police jury. The drainage district was created under the authority of Louisiana Revised Statutes 38:1601-1707 and was established for the purpose of draining and reclaiming the undrained or partially drained marsh, swamp, and overflowed lands in the district that must be leveed and pumped in order to be drained and reclaimed.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. Subsequently, GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

In conformance with GASB Codification Section 2100, the drainage district is a component unit of the Acadia Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, and other governmental units that comprise the governmental reporting entity.

A. Fund accounting

The accounts of the drainage district are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are spent and the means by which spending activities are controlled. The following governmental funds are presented in the financial statements:

General Fund:

The general fund is the general operating fund of the drainage district. It accounts for all financial resources except those required to be accounted for in other funds.

## NOTES TO FINANCIAL STATEMENTS

### Debt Service Fund:

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

### Series 1991 Refunding Bonds:

This fund is used to accumulate monies for payment of \$470,000 (original principal) of certificates of indebtedness due in various installments. The proceeds of this issue were to refund the outstanding Public Improvement Bonds dated August 1, 1981.

### Capital Projects Fund:

The capital projects fund is used to account for financial resources to be used for acquisition or construction of major capital projects (other than those financed by proprietary funds).

### Construction Fund:

This fund is used to account for the collection and disbursement of funds for construction projects.

## B. General fixed assets and general long-term debt

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain or infrastructures are not capitalized. Construction period interest is immaterial and is not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the governmental funds.

The two account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

## C. Basis of accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The District's accounts are reported on the modified accrual basis of accounting using the following practices in recording revenues and expenditures:

## NOTES TO FINANCIAL STATEMENTS

### Revenues:

Ad valorem taxes and state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent by December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

### Expenditures:

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except for principal and interest on general long-term debt which is recognized when due.

### D. Budget practices

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Secretary-Treasurer submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is then legally enacted through passage of an ordinance. Budget amounts shown in this report are as amended by the District in public meeting.
4. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. All budget appropriations lapse at year-end.

Expenditures may not legally exceed budgeted appropriations at the fund level.

### E. Cash, cash equivalents, and investments

For reporting purposes of cash and cash equivalents, the District considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Under state law, the Sixth Ward and Crowley Drainage District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the



NOTES TO FINANCIAL STATEMENTS

United States. Further, the District may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash, cash equivalents, and investments are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times be equal to the amount on deposit with the bank. The pledged securities are held in the name of the pledging bank in a custodial bank that is mutually acceptable to the parties involved. The following is a summary of cash and cash equivalents at December 31, 1998, with the related federal deposit insurance:

|   | <u>Bank<br/>Balance</u> | <u>FDIC<br/>Insurance</u> | <u>Balance<br/>Uninsured</u> |
|---|-------------------------|---------------------------|------------------------------|
| Demand deposits   | \$ 46,440               | \$ 46,440                 | \$ -                         |
| Savings and certificates<br>of deposit  | <u>194,335</u>          | <u>100,342</u>            | <u>93,993</u>                |
| Total   | <u>\$240,775</u>        | <u>\$146,782</u>          | \$ 93,993                    |
| <br>Securities pledged and<br>held by the custodial<br>bank in bank's name<br>(Category III)          |                         |                           | <br><u>184,237</u>           |
| <br>Excess of FDIC Insurance<br>plus pledged securities<br>over deposits in financial<br>institutions |                         |                           | <br><u>\$ 90,244</u>         |

F. Pensions

Employees of the drainage district are covered under the Federal Insurance Contribution Act (social security). The employees and the District contribute equally to the system.

G. Vacation and sick leave

The Sixth Ward and Crowley Drainage District does not have a formal policy on vacation and sick leave.

NOTES TO FINANCIAL STATEMENTS

H. Total columns on statements

The total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

|                            | <u>Land</u>     | <u>Buildings</u> | <u>Equipment</u> | <u>Total</u>     |
|----------------------------|-----------------|------------------|------------------|------------------|
| Balance, December 31, 1997 | \$ 1,500        | \$ 1,731         | \$328,105        | \$331,336        |
| Additions                  | -               | -                | 748              | 748              |
| Reductions                 | <u>-</u>        | <u>-</u>         | <u>-</u>         | <u>-</u>         |
| Balance, December 31, 1998 | <u>\$ 1,500</u> | <u>\$ 1,731</u>  | <u>\$328,853</u> | <u>\$332,084</u> |

Note 3. Changes in General Long-Term Obligations

The following is a summary of the long-term obligations at December 31, 1998:

|  | <u>Bonded<br/>Debt</u> |
|--|------------------------|
| Long-term obligations payable, beginning | \$250,000              |
| Reductions                               | <u>55,000</u>          |
| Long-term obligations payable, ending    | <u>\$195,000</u>       |

General obligation bonds are comprised of the following individual issue:

|   |                  |
|---|------------------|
| Series 1991 refunding bonds, dated September 5, 1991, issue of \$470,000, retired in various annual installments, interest rates 5.2% to 6.3%, final maturity March 1, 2001 | <u>\$195,000</u> |
|---|------------------|

NOTES TO FINANCIAL STATEMENTS

The annual requirements to amortize all bonds and/or certificates outstanding at December 31, 1998, including interest of \$18,900 are as follows:

| <u>Year Ending</u> | <u>Principal</u> | <u>Interest</u>  | <u>Total</u>     |
|--------------------|------------------|------------------|------------------|
| 1999               | \$ 60,000        | \$ 10,270        | \$ 70,270        |
| 2000               | 65,000           | 6,425            | 71,425           |
| 2001               | <u>70,000</u>    | <u>2,205</u>     | <u>72,205</u>    |
| Total              | <u>\$195,000</u> | <u>\$ 18,900</u> | <u>\$213,900</u> |

Note 4. Receivables

The following is a summary of receivables at December 31, 1998:

|  | <u>General<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> |
|--|-------------------------|----------------------------------|--------------------------------------|
| Ad valorem tax   | \$172,048               | \$112,449                        | \$ -                                 |
| State revenue sharing                                      | 39,427                  | -                                | -                                    |
| Other  | 1,271                   | 1,137                            | 165                                  |
| Fifth Ward Consolidated Gravity<br>Drainage District No. 1 | <u>-</u>                | <u>-</u>                         | <u>118,458</u>                       |
|  | <u>\$212,746</u>        | <u>\$113,586</u>                 | <u>\$118,623</u>                     |

Note 5. Intergovernmental Agreement

Sixth Ward and Crowley Drainage District entered into an intergovernmental agreement with Fifth Ward Consolidated Gravity Drainage District No. 1 for funding the Lyons Point Gully Lower Region project. Sixth Ward and Crowley Drainage District provided 100% of the initial funding for the project. As of December 31, 1990, the project was complete and the total amount paid by Sixth Ward and Crowley Drainage District on behalf of Fifth Ward Consolidated Gravity Drainage District No. 1 was \$161,003. In 1990, it was agreed by both parties for Fifth Ward Consolidated Drainage District No. 1 to repay its debt by leasing their excavator, including the operator and all repair costs, for \$65 per hour to Sixth Ward and Crowley Drainage District. In 1995, it was agreed by both parties to change the hourly rate from \$65 per hour to \$85 per hour. As of December 31, 1998, Fifth Ward Consolidated Gravity Drainage District No. 1 has repaid a total of \$42,545, leaving a balance of \$118,458.

NOTES TO FINANCIAL STATEMENTS

Note 6. Per Diem

The board members receive \$65 per diem for attendance at meetings of the board and 20-1/2¢ per mile for travel expenses. The compensation paid to the board for the year ended December 31, 1998 is as follows:

|                     |                 |
|---------------------|-----------------|
| Billie C. Fulkerson | \$ 1,363        |
| Mike Faulk          | 455             |
| Billie Fulkerson    | 780             |
| Thomas Sarver       | 585             |
| Wayne Baronet       | <u>585</u>      |
|                     | <u>\$ 3,768</u> |

Note 7. Year 2000 Issue (Unaudited)

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The District currently does not use computers in its accounting system or operations. The District is in the assessment stage, trying to determine whether the Year 2000 Issue will have an adverse effect on the District's operations.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and beyond. Management cannot assure that the District is or will be year 2000 ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be year 2000 ready.



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Patrick D. McCarthy, CPA\*

*Retired:*

Sidney L. Broussard, CPA 1980  
Leon K. Poche, CPA 1984  
James H. Breaux, CPA 1987  
Erna K. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberly, CPA\* 1995  
Rodney L. Savoy, CPA\* 1996  
Larry G. Broussard, CPA\* 1997

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Billie C. Fulkerson  
and the Board of Commissioners of  
the Sixth Ward and Crowley Drainage District  
Crowley, Louisiana

We have audited the general purpose financial statements of the Sixth Ward and Crowley Drainage District, as of and for the year ended December 31, 1998, and have issued our report thereon dated May 28, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Sixth Ward and Crowley Drainage District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance that required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sixth Ward and Crowley Drainage District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal

To the Honorable Billie C. Fulkerson  
and the Board of Commissioners of  
the Sixth Ward and Crowley Drainage District

control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Sixth Ward and Crowley Drainage District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the schedule of findings and questioned costs as item 98-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we considered the reportable condition described to be a material weaknesses.

This report is intended for the information of management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*BROUSSARD, POCHÉ, LEWIS & BREUX, L.L.P.*

Crowley, Louisiana  
May 28, 1999

SIXTH WARD AND CROWLEY DRAINAGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 1998

We have audited the financial statements of Sixth Ward and Crowley Drainage District as of and for the year ended December 31, 1998, and have issued our report thereon dated May 28, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 1998 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses  Yes  No      Reportable Conditions  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

b. Federal Awards

The District does not have any federal awards.

**Section II Financial Statement Findings**

98-1 General Administration

Finding: As in previous years, our review of the internal control structure indicated an inadequate segregation of duties.

Cause: An inadequate segregation of duties is due to the limited number of personnel performing the administrative functions.

Suggestion and response: The Sixth Ward and Crowley Drainage District Board has evaluated this inadequacy and concluded the related costs versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation.

Questioned Costs                      \$ - 0 -

SIXTH WARD AND CROWLEY DRAINAGE DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS  
Year Ended December 31, 1998

**I Internal Control and Compliance Material to the Financial Statements**

1997 - General Administration

This same finding is included in the current year's schedule of findings and questions costs as 98-1. The Board has provided as much segregation as possible with resources available.

**II Internal Control and Compliance Material to Federal Awards**

The prior year did not include any federal awards.

**III Management Letter**

The prior year's report did not include a management letter.



SIXTH WARD AND CROWLEY DRAINAGE DISTRICT

MANAGEMENT'S CORRECTIVE ACTION PLAN

**Section I. Internal Control and Compliance Material to the Financial Statements**

98-1 General Administration

Management has ensured as much segregation as possible based on available resources. However, adequate segregation is not feasible.

**Section II. Internal Control and Compliance Material to Federal Awards**

There were no federal awards for the year ended December 31, 1998.

**Section III. Management Letter**

There was no management letter for the year ended December 31, 1998.

Responsible party: Billie C. Fulkerson, President